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31 July 1959

MEMORANDUM FOR: Executive Secretary, Economic Intelligence Committee

SUBJECT: ERA Views on Pre-Publication Coordination of Research Papers

REFERENCES:

- a. Memorandum for Chairman, EIC, from Executive Secretary, EIC, Subject "EIC Subcommittee Review of ORR Papers," dated 16 June 1959.
- b. Memorandum for Chief, ERA, from Executive Secretary, EIC, Subject, "Proposals for Pre-Publication EIC Subcommittee Review of CIA/ORR/ERA Research Papers," dated 14 July 1959.

1. As requested in reference (a), the Division Chiefs and other senior officers of ERA have discussed the proposal to coordinate a number of ERA reports through the appropriate EIC Subcommittee.

2. Paragraph 3.a.(7) of DCID No. 3/1 - Production and Coordination of Foreign Economic Intelligence - in defining the responsibilities of the EIC for the coordination of economic intelligence, cites two instances which are pertinent to referenced memo, viz., (1) "Produce, as appropriate, interdepartmental economic intelligence on subjects which transcend the competency of a single department or agency" and "Arrange, as appropriate, for the coordination of individual IAC agency reports deemed of sufficient national security importance to warrant the solicitation of concurrences from the representatives of other IAC agencies."

3. We agree wholeheartedly with these provisions and see the applicability of the first in the case of Project No. 35.2750- Estimates of Ship Construction in the USSR for 1958, 1959 and 1960 - for this report clearly involves the competency of more than a single department or agency. Also in the case of the biweekly

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reports - Sino-Soviet Bloc Economic Activities in Underdeveloped Areas - which involve an area of common or overlapping interest and where competency exists in other departments or agencies.

4. There is no special objection to coordination of the summary findings of the ERA papers proposed for review in reference (b) by the EIC Subcommittee on International Trade and Finance, although three or four papers a year would probably be a maximum. Further, our experience has shown that attempts to reach agreement on each word and every obscure figure results in a much more time-consuming exercise than is warranted.

5. There is unanimous disagreement to attempting to coordinate virtually all other ERA projects, listed in reference (b), through the Subcommittees. The principal reason is a lack of competence on the part of the majority of members. Where individual capabilities exist (ATIC on rocket fuels, Census on population and manpower), informal coordination is carried out as a normal practice.

6. With regard to the hope that pre-publication EIC Subcommittee review "might entice other EIC agencies to participate in such a program; in particular, it might serve as an opening wedge towards fuller EIC participation in some of State's intelligence reporting activities in non-Bloc areas" (reference a.), we in ERA do not have the manpower to review much of State's product, nor are we likely ever to be in such an enviable position. The same is true of some military subjects, such as ground weapons where we no longer do original research, and where a useful review would be a time-consuming process indeed.

7. A final question, not raised in the referenced memoranda, is whether the EIC is the appropriate mechanism to coordinate certain publications it is now turning out. The undersigned is increasingly convinced that the penetration "Biweekly" would be a much more useful intelligence document if it were taken out from under the EIC and placed under more appropriate USIB auspices, where analyses of political, psychological (including radio propaganda), subversive and military factors could be included. The present Biweekly is a valuable document, but it only includes one of the Sino-Soviet Bloc activities in the Free World -- namely,

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economic blandishments. True, arms deals are included but only on a "listing" basis; there is no attempt to spell out the order of battle implications in the geographic area effected. Attempts by ERA to broaden these analyses have been rebuffed as, "going beyond the charter of the EIC." The only publications which attempt to portray the total picture of the Bloc's presence in an underdeveloped country are the very brief (two page) intelligence annexes to OCB papers. And these summaries are quickly out of date. Even the NIE's on the subject omit pertinent parts of the Bloc challenge.

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Chief, Economic Research Area

cc: AD/RR

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OCh/E/RR [REDACTED] dbw/2763 (31 July 1959)

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